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ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Revocation of the Escrow Agent License of:

No. 10F-BD006-BNK

**SUMMIT TITLE AGENCY, INC. AND
NANCY D'ANNA, PRESIDENT**
2500 South Power Road, Suite 115A
Mesa, Arizona 85209

NOTICE OF HEARING TO REVOKE AND COMPLAINT

Respondents.

PLEASE TAKE NOTICE that, pursuant to Arizona Revised Statutes ("A.R.S.") §§ 6-138, and 41-1092.02, the above-captioned matter will be heard through the Office of Administrative Hearings, an independent agency, and is scheduled for January 22, 2010 at 8:00 a.m., at the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix, Arizona, (602) 542-9826 (the "Hearing").

The purpose of the Hearing is to determine whether grounds exist to suspend or revoke Respondents' escrow agent license; to order the payment of restitution of any fees earned in violation of A.R.S. §§ 6-801, *et seq.*, pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; to order any other remedy necessary or proper for the enforcement of statutes and rules regulating escrow agents in Arizona pursuant to A.R.S. §§ 6-123 and 6-131; and to impose a civil money penalty pursuant to A.R.S. § 6-132.

Pursuant to A.R.S. § 6-138, the Superintendent of Financial Institutions for the State of Arizona (the "Superintendent") delegates the authority vested in the Superintendent, whether implied or expressed, to the Director of the Office of Administrative Hearings or the director's designee to preside over the Hearing as the Administrative Law Judge, to make written recommendations to the Superintendent consisting of proposed Findings of Fact, Conclusions of Law, and Order. The Office of Administrative Hearings has designated Lewis Kowal, at the address and phone number listed above, as the Administrative Law Judge for these proceedings. Pursuant to Arizona Administrative Code ("A.A.C.") Rule 2-19-104 and A.R.S. §§ 41-1092.01(H)(1) and 41-1092.08, the

1 Superintendent retains authority to enter orders granting a stay, orders on motions for rehearing, final
2 decisions pursuant to A.R.S. § 41-1092.08 or other order or process which the Administrative Law
3 Judge is specifically prohibited from entering.

4 Motions to continue this matter shall be made in writing to the Administrative Law Judge **not**
5 **less than fifteen (15) days** prior to the date set for the Hearing. A copy of any motion to continue
6 shall be mailed or hand-delivered to the opposing party on the same date of filing with the Office of
7 Administrative Hearings.

8 A.R.S. § 41-1092.07 entitles any person affected by this Hearing to appear in person and by
9 counsel, or to proceed without counsel when submitting evidence, to have a reasonable opportunity
10 to inspect all documentary evidence, to cross-examine witnesses, to present evidence and witnesses
11 in support of his/her interests, and to have subpoenas issued by the Administrative Law Judge to
12 compel attendance of witnesses and production of evidence. Pursuant to A.R.S. § 41-1092.07(B),
13 any person may appear on his or her own behalf or by counsel.

14 Pursuant to A.R.S. § 41-1092.07(E), a clear and accurate record of the proceedings will be
15 made by a court reporter. The transcription of the hearing proceedings by the court reporter shall be
16 the official record for purposes of the Administrative Law Judge's Recommended Decision and the
17 Superintendent's Final Decision and Order. Any party that requests a transcript of the proceedings
18 shall pay the cost of the transcript for the court reporter or other transcriber.

19 Questions concerning issues raised in this Notice of Hearing should be directed to Assistant
20 Attorney General Erin O. Gallagher, (602) 542-8935, 1275 West Washington, Phoenix, Arizona
21 85007.

22 **NOTICE OF APPLICABLE RULES**

23 On February 7, 1978, the Arizona Department of Financial Institutions (the "Department")
24 adopted A.A.C. R20-4-1201 through R20-4-1220, which were amended September 12, 2001, setting
25 forth the rules of practice and procedure applicable in contested cases and appealable agency actions
26 before the Superintendent. The hearing will be conducted pursuant to these rules and the rules

1 governing procedures before the Office of Administrative Hearings, A.A.C. R2-19-101 through
2 R2-19-122. A copy of these rules is enclosed.

3 Pursuant to A.A.C. R20-4-1209, Respondents shall file a written answer **within twenty (20)**
4 **days** after issuance of this Notice of Hearing. The answer shall briefly state the Respondents'
5 position or defense and shall specifically admit or deny each of the assertions contained in this
6 Notice of Hearing. If the answering Respondents are without or are unable to reasonably obtain
7 knowledge or information sufficient to form a belief as to the truth of an assertion, Respondents shall
8 so state, which shall have the effect of a denial. Any assertion not denied is deemed admitted.
9 When Respondents intend to deny only a part or a qualification of an assertion, or to qualify an
10 assertion, Respondents shall expressly admit so much of it as is true and shall deny the remainder.
11 Any defense not raised in the answer is deemed waived.

12 **If a timely answer is not filed, pursuant to A.A.C. R20-4-1209(D), Respondents will be**
13 **deemed in default** and the Superintendent may deem the allegations in this Notice of Hearing as
14 true and admitted and the Superintendent may take whatever action is appropriate, including
15 suspension or revocation of Respondents' license and imposition of a civil penalty or restitution to
16 any injured party.

17 Respondents' answer shall be mailed or delivered to the Arizona Department of Financial
18 Institutions, 2910 North 44th Street, Suite 310, Phoenix, Arizona 85018, with a copy mailed or
19 delivered to the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix,
20 Arizona 85007 and to Assistant Attorney General Erin O. Gallagher, Consumer Protection &
21 Advocacy Section, Attorney General's Office, 1275 West Washington, Phoenix, Arizona 85007.

22 **Persons with disabilities may request reasonable accommodations such as interpreters,**
23 **alternative formats, or assistance with physical accessibility.** Requests for special
24 accommodations must be made as early as possible to allow time to arrange the accommodations. If
25 accommodations are required, call the Office of Administrative Hearings at (602) 542-9826.

26 ...

1 COMPLAINT

2 1. Respondent Summit Title Agency, Inc. ("Summit") is an Arizona corporation authorized
3 to transact business in Arizona as an escrow agent, license number EA-0908727, within the meaning
4 of A.R.S. §§ 6-801, *et seq.* The nature of Respondent's business is that of engaging in or carrying on
5 the escrow business or acting in the capacity of an escrow agent within the meaning of A.R.S. § 6-
6 801(6).

7 2. Respondent Nancy D'Anna ("Ms. D'Anna") is the President of Summit. Ms. D'Anna is
8 authorized to transact business in Arizona as an escrow agent, within the meaning of A.R.S. §§ 6-
9 801, *et seq.*

10 3. An examination of Summit and Ms. D'Anna conducted by the Department beginning on
11 December 9, 2008 revealed that Respondents:

12 a. Are unable to pay debts as they fall due in the regular course of business; are in such
13 financial condition that they cannot continue in business with safety to their
14 customers or the public; do not have the financial resources, experience, character or
15 competence to adequately serve the public or to warrant the belief that the business
16 will be operated lawfully, honestly, fairly and efficiently; and have failed to maintain
17 an adequate internal control structure as prescribed by A.R.S. § 6-841; specifically:

18 i. Summit's underwriting agreement was cancelled, effective March 16, 2009,
19 due to non-payment. The outstanding balance owed by Respondents to the title
20 insurance company is twenty nine thousand, six hundred fifty nine dollars and
21 forty cents (\$29,659.40);

22 ii. Respondents' fiduciary account was short three thousand, four hundred ninety
23 dollars and ten cents (\$3,490.10) on October 31, 2008. A copy of the deposit
24 slip for \$3,490.10 was provided to the Department in response to a letter sent
25 by the Department to Respondents on December 16, 2008; however, copies of
26 bank statements and bank receipts were not provided to the Department;

- 1 iii. Summit has an outstanding obligation to Seth D. Fink ("Mr. Fink"), CPA. Mr.
2 Fink is awaiting payment of outstanding fees owed to his firm, which is unable
3 to perform accounting functions for Summit until the balance has been paid and
4 the account brought current. On March 13, 2009, Respondents provided the
5 Department with a copy of the invoice from Mr. Fink showing a balance due of
6 three thousand, two hundred ninety six dollars and eighty one cents (\$3,296.81)
7 for services rendered from May 2008 through November 2008. Respondents
8 stated in a letter to the Department dated March 13, 2009 that checks were sent
9 to Mr. Fink for payment; however, paid receipts from the CPA firm or copies of
10 the cancelled checks and bank statements were not provided;
- 11 iv. Summit has an outstanding obligation of five hundred dollars (\$500.00) to Data
12 Trace for tax and title support services performed in December 2008. The Data
13 Trace invoice for February of 2009, showing services rendered in January of
14 2009, reportedly has not been sent to Data Trace;
- 15 v. Summit has an outstanding obligation of seventeen thousand, twenty seven
16 dollars and twenty seven cents (\$17,027.27) due to Bank of America for the
17 balance of a company credit card;
- 18 vi. A Judgment was filed on March 9, 2009 in *Bank of America, N.A. v. Summit*
19 *Title Agency, Inc.*, case number CV2009-000506, ordering Summit to pay Bank
20 of America eleven thousand, seventy dollars and fifty eight cents (\$11,070.58),
21 plus attorneys' fees of nine hundred dollars (\$900.00) and Plaintiff's costs of
22 three hundred sixty one dollars (\$361.00); and
- 23 vii. Ms. D'Anna, President of Summit, signed a promissory note on November 7,
24 2008 for the amount of three thousand, six hundred ninety seven dollars and
25 fifty seven cents (\$3,697.57). As of February 27, 2009, the account is in arrears
26 of one thousand, nine hundred seventy three dollars and seventy nine cents

1 (\$1,973.79);

2 b. Knowingly made or caused to be made to the Superintendent false representations of
3 material facts, or suppressed or withheld from the Superintendent information that
4 Respondents possessed; specifically:

5 i. During the escrow examination on December 9, 2009, the examiners inquired
6 into the status of the audit report, which was requested in the Department's
7 entry letter to Summit. Ms. D'Anna stated that Mr. Fink was Summit's CPA
8 and he was working on the audit. The Department received e-mails dated
9 December 11 and December 16, 2008 from Ms. D'Anna, a letter from Ms.
10 D'Anna to Examiner Peggy Prill ("Ms. Prill") dated February 23, 2009, and a
11 telephone call from Ms. D'Anna to Ms. Prill on February 20, 2009, all of which
12 confirmed that Mr. Fink was in the process of completing the audit report.
13 According to an e-mail from Mr. Fink received by the Department on January
14 16, 2009, his firm is unable to perform accounting functions and is waiting for
15 the payment of outstanding fees. Mr. Fink stated his firm would resume
16 services when Respondents' account is brought current. On March 13, 2009,
17 Ms. D'Anna provided the Department with a photocopy of the invoice from
18 Mr. Fink showing Summit owes a balance of three thousand, two hundred
19 ninety six dollars and eighty one cents (\$3,296.81). The accompanying letter
20 from Ms. D'Anna stated that checks had been sent to Mr. Fink; however copies
21 of paid checks, bank statements and copies of paid receipts from Mr. Fink were
22 not included with the letter to the Department;

23 ii. Ms. D'Anna stated on December 9, 2008 that a representative from First
24 American Title Insurance Company would be filling in for her while she was
25 out on medical leave. On January 15, 2009, examiners verified that D.K.P.
26 filled in to answer Respondents' telephones and forward information to Ms.

1 D'Anna. D.K.P. stated to the examiners that she is a friend of Ms. D'Anna's
2 and had been an employee of Summit since January 12, 2009, she was not an
3 employee of First American Title Insurance Company. When Ms. Prill asked
4 D.K.P. if she would be closing escrows, her response was that she would call
5 Ms. D'Anna;

6 iii. Respondents failed to disclose a number of debts owed in responses to the
7 Department's January 20, 2009 letter to Respondents or the February 12, 2009
8 subpoena issued to Respondents, including:

9 (1) Both the January 20 letter sent to and February 12 subpoena issued to
10 Respondents by the Department requested a list of outstanding debts owed
11 by Summit. Summit currently owes a balance of seventeen thousand,
12 twenty seven dollars and twenty seven cents (\$17,027.27) to Bank of
13 America for a company credit card. This credit card debt was not
14 mentioned or included in Respondents' response letter to the Department
15 dated February 23, 2009 or in the response to the subpoena dated March
16 13, 2009;

17 (2) The Judgment owed to Bank of America by Summit was not included in
18 Respondents' responses to the February 12 subpoena on either February
19 23, 2009 or March 13, 2009. On February 23, 2009, in Superior Court
20 case number CV2009-000506, Summit was ordered to pay Bank of
21 America eleven thousand, seventy dollars and fifty eight cents
22 (\$11,070.58), attorneys' fees of nine hundred dollars (\$900.00) and costs
23 of three hundred sixty one dollars (\$361.00); and

24 (3) A promissory note for three thousand, six hundred ninety seven dollars
25 and fifty seven cents (\$3,697.57) dated November 7, 2008 was signed by
26 Ms. D'Anna, President of Summit. As of February 27, 2009, the account

1 was in arrears one thousand, nine hundred seventy three dollars and
2 seventy nine cents (\$1,973.79). This debt was not disclosed in
3 Respondents' responses to the Department's letter or subpoena on
4 February 23, 2009 or March 13, 2009; and

5 iv. The October 31, 2008 escrow trust bank statement shows a shortage of three
6 thousand, four hundred ninety dollars and ten cents (\$3,490.10). On December
7 9, 2008, the examiners discussed the shortage with Ms. D'Anna and informed
8 her that the escrow trust bank account statements needed to be monitored by the
9 Department for the months of November and December of 2008 and thereafter,
10 to ensure the escrow trust account was not being charged service fees. The
11 Department received the following from Respondents:

- 12 (1) On December 16, 2008 at 9:22 a.m., Ms. D'Anna asked Ms. Prill via e-
13 mail the amount the fiduciary account needed to be replenished;
14 (2) Also on December 16, 2008, at 4:24 p.m., Ms. D'Anna stated that she
15 "took her operating account checkbook to the bank yesterday and made a
16 deposit";
17 (3) On December 17, 2008, Ms. Prill requested a copy of the check that was
18 deposited, the bank receipt and a copy of the online statement, none of
19 which have been provided to the Department, to date; and
20 (4) On February 23, 2009, in response to the Department's letter and
21 subpoena, the Department received a photocopy of a deposit slip for
22 \$3,490.10 dated December 15, 2008, showing a cash deposit to Summit
23 Title Agency, Inc.'s trust account; however no bank statements or receipts
24 were provided;

25 v. Respondents' Escrow Agent License Renewal Application ("Renewal") for the
26 license period 10/1/2009 through 9/30/2010 contained misrepresentations,

specifically:

(1) The Renewal was received by the Department on September 30, 2009.

Page one (1), number four (4) of the Renewal represents that First American Title Insurance Company is the title insurance underwriter for Respondents. When the Department contacted First American Title Insurance Company, it was confirmed that the underwriter relationship remains in cancellation status; and

(2) On page four (4) of the Renewal, question nine (9), section (b) asks Respondents whether they have "been sued in a civil action within the last fifteen years" and section (c) asks if Respondents have "had a final judgment entered against" them. Respondents checked "No" in response to both questions, although Summit was ordered in Arizona Superior Court case number CV2009-00506 to pay Bank of America a judgment of eleven thousand, seventy dollars and fifty eight cents (\$11,070.58), attorney fees of nine hundred dollars (\$900.00) and three hundred sixty one dollars (\$361.00) for costs;

c. Failed to submit an annual audit report of the escrow account servicing and subdivision trust activities of the escrow agent and the fiscal year end financial statement (as of September 30, 2008) prepared by a certified public accountant as required by statute and requested by the Department's letter and subpoena;

d. Failed to maintain certain internal control procedures to ensure that persons employed by or associated with Respondents' business do not make significant errors or perpetuate significant irregularities or fraud without timely detection by failing to properly account for escrow property; specifically:

i. Respondents failed to provide adequate follow-up on two (2) stale-dated outstanding checks aged in excess of one hundred eighty (180) days totaling

- 1 four dollars and seventy five cents (\$4.75);
- 2 ii. Respondents failed to provide adequate follow-up on trust account
- 3 reconciliation adjusting items and bank fees; specifically:
- 4 (1) Respondents failed to adequately follow up on trust account bank service
- 5 charges aged in excess of sixty (60) days, resulting in a cash shortage of
- 6 three thousand, four hundred ninety dollars and ten cents (\$3,490.10) as of
- 7 October 31, 2008. The shortage in the Bank of America escrow trust
- 8 account ending #8643 began in May of 2008. The bank account was
- 9 established as a business analysis account and is charged a monthly
- 10 service fee. During the examination and in correspondence, Ms. D'Anna
- 11 was instructed to immediately replenish the trust account. To date,
- 12 Respondents have not replenished the funds; therefore, the trust account
- 13 currently has a cash shortage;
- 14 (2) Analysis fees were charged by Bank of America to the fiduciary account;
- 15 and
- 16 (3) Respondents failed to provide documentation of an adjusting entry of sixty
- 17 dollars (\$60.00) to a deposit of four hundred sixty two dollars and fifty
- 18 eight cents (\$462.58) dated May 30, 2008;
- 19 iii. Failed to maintain a subsidiary savings account trial balance and/or subsidiary
- 20 ledger; specifically:
- 21 (1) Respondents failed to reconcile the savings trial balance and subsidiary
- 22 records to the individual savings bank statements; and
- 23 (2) Bank of America account ending #3739, an interest-bearing account,
- 24 shows a fifteen dollar (\$15.00) monthly service fee on the November 30,
- 25 2008 bank statement;
- 26 iv. Respondents failed to review reconcilements. The reconcilements for the Bank

- 1 of America escrow trust account ending #8643 were signed and dated by the
2 preparer; however, the reconcilements do not show a second party review to
3 document dual control; and
- 4 v. Respondents' reconcilements for the Bank of America interest-bearing account
5 ending #3739 contained no date and/or signature by the preparer and/or
6 reviewer;
- 7 e. Filed numerous escrow rates that are unclear as to what is actually included in a flat
8 rate versus separate charges pertaining to various recording items;
- 9 f. Failed to keep and maintain at all times in their principal place of business complete
10 and accurate records; specifically:
- 11 (1) Respondents' preliminary financial audit as of the end of fiscal year,
12 September 30, 2008, was missing; and
- 13 (2) Respondents did not provide requested documentation, such as a copy of a
14 bank statement, showing the deposit for three thousand, four hundred
15 ninety dollars and ten cents (\$3,490.10) has posted to the escrow trust
16 account to cover the current shortage;
- 17 g. Deviated from their filed and approved escrow rates; specifically:
- 18 i. Respondents deviated nine (9) times from their filed and approved escrow rates
19 in an amount totaling three hundred dollars (\$300.00) in overcharges; and
- 20 ii. Respondents failed to file with, and have approved by the Superintendent,
21 certain escrow fees which were charged to escrow parties; specifically:
- 22 (1) A party to Escrow #5034939 incurred an additional escrow charge of one
23 hundred fifty dollars (\$150.00);
- 24 h. Failed, within three (3) business days after receipt of deposited monies, to provide to
25 parties to at least two (2) escrow files the notice of their right to earn interest on all
26 monies deposited into the escrow;

- 1 i. Failed to provide adequate disclosure of the availability of a closing protection letter
2 from the underwriter to escrow parties on residential dwelling escrow transactions;
3 specifically:
- 4 i. Respondents' receipts state that the buyer and seller have closing protection
5 letters as provided in A.R.S. § 6-841.02(A); however the verbiage on the
6 disclosure is inadequate;
- 7 j. Failed to disclose to the buyer and seller of a residential dwelling, not later than three
8 (3) business days after receipt of any funds, that monies deposited in an escrow
9 account are not insured against loss from fraud or theft, by this State or the United
10 States government;
- 11 k. Failed to maintain detailed escrow fee calculation worksheets in sufficient detail to
12 document each escrow officer's calculation of escrow fees in at least seven (7)
13 escrow files;
- 14 l. Disbursed funds that were not available for withdrawal from the escrow account;
15 specifically:
- 16 i. On February 27, 2008, the receipts and disbursement sheet for escrow file
17 #5008723 shows a receipt of a non-local personal check for two hundred fifty
18 thousand, three hundred eighty eight dollars and forty one cents (\$250,388.41).
19 All receipted funds were disbursed February 29, 2008, two (2) days after
20 receipt. Funds on non-local personal checks are to be held for five (5) days
21 prior to disbursement; and
- 22 ii. On May 6, 2008, the receipts and disbursement sheet for escrow file #5034938
23 shows receipt of an official check for one hundred forty eight thousand, nine
24 hundred six dollars and thirteen cents (\$148,906.13). All funds were disbursed
25 on May 6, 2008, the day of receipt. Funds on official checks are to be held for
26 one (1) day prior to disbursement; and

1 m. Failed to authorize Bank of America to notify the Superintendent of any overdraft or
2 checks returned for insufficient funds in any trust accounts of the escrow agent.

3 LAW

4 1. Pursuant to A.R.S. § 6-801, *et seq.*, the Superintendent has the authority and duty to
5 regulate all persons engaged in the escrow agent business and with the enforcement of statutes, rules,
6 and regulations relating to escrow agents.

7 2. By the conduct set forth in the Complaint, Summit and Ms. D'Anna have violated the
8 escrow agent statutes and rules as follows:

- 9 a. A.R.S. §§ 6-817(A)(1), 6-817(A)(3), 6-817(A)(10), 6-817(A)(12) and A.A.C. R20-4-
10 708, by being unable to pay debts as they fall due in the regular course of business;
11 being in such financial condition that they cannot continue in business with safety to
12 their customers or the public; not having the financial resources, experience, character
13 or competence to adequately serve the public or to warrant the belief that the business
14 will be operated lawfully, honestly, fairly and efficiently; and failing to maintain an
15 adequate internal control structure as prescribed by A.R.S. § 6-841;
- 16 b. A.R.S. §§ 6-817(A)(6), 6-837(A), 6-124(C) and A.A.C. R20-4-708, by knowingly
17 making or causing to be made to the Superintendent a false representations of
18 material facts, or suppressing or withholding from the Superintendent information
19 that Respondents possessed;
- 20 c. A.R.S. § 6-832(A), by failing to submit an annual audit report of the escrow account
21 servicing and subdivision trust activities of the escrow agent and the fiscal year end
22 financial statement (as of September 30, 2008) prepared by a certified public
23 accountant as required by statute and requested by the Department's letter and
24 subpoena;
- 25 d. A.R.S. §§ 6-834(A), 6-834(B), 6-841(A), 6-841(B), 6-841.01(A), A.A.C. R20-4-702
26 and A.A.C. R20-4-704, by failing to maintain certain internal control procedures to

- 1 ensure that persons employed by or associated with Respondents' business do not
2 make significant errors or perpetuate significant irregularities or fraud without timely
3 detection by failing to properly account for escrow property;
- 4 e. A.R.S. §§ 6-841(A), 6-831 and A.A.C. R20-4-702, by filing numerous escrow rates
5 that are unclear as to what is actually included in a flat rate versus separate charges
6 pertaining to various recording items;
- 7 f. A.R.S. §§ 6-841(A), 6-831 and A.A.C. R20-4-702, by failing to keep and maintain at
8 all times in their principal place of business complete and accurate records;
- 9 g. A.R.S. §§ 6-841(A), 6-846.04(A), 6-846.01(A), 6-846.01(B) and A.A.C. R20-4-702,
10 by deviating from their filed and approved escrow rates;
- 11 h. A.R.S. § 6-834(D), by failing, within three (3) business days after receipt of deposited
12 monies, to provide to parties to at least two (2) escrow files the notice of their right to
13 earn interest on all monies deposited into the escrow
- 14 i. A.R.S. § 6-841.02(A), by failing to provide adequate disclosure of the availability of
15 a closing protection letter from the underwriter to escrow parties on residential
16 dwelling escrow transactions; specifically;
- 17 j. A.R.S. § 6-841.03, by failing to disclose to the buyer and seller of a residential
18 dwelling, not later than three (3) business days after receipt of any funds, that monies
19 deposited in an escrow account are not insured against loss from fraud or theft, by this
20 State or the United States government;
- 21 k. A.R.S. §§ 6-841(B) and 6-831 and A.A.C. R20-4-702, by failing to maintain detailed
22 escrow fee calculation worksheets in sufficient detail to document each escrow
23 officer's calculation of escrow fees in at least seven (7) escrow files;
- 24 l. A.R.S. § 6-843(B), by disbursing funds that were not available for withdrawal from
25 the escrow account; and
- 26 m. A.R.S. § 6-817(A)(14), by failing to authorize Bank of America to notify the

1 Superintendent of any overdraft or checks returned for insufficient funds in any trust
2 accounts of the escrow agent.

3 3. The violations of applicable laws, set forth above, constitute grounds for the
4 Superintendent to suspend or revoke Respondents' escrow agent license, number EA-0908727,
5 pursuant to A.R.S. § 6-817.

6 4. Respondents failed to conduct business in accordance with the law and have violated
7 Title 6, Chapter 7 and the rules relating to Chapter 7, which constitutes grounds for the suspension or
8 revocation of Respondents' license pursuant to A.R.S. § 6-817(A)(2).

9 5. Respondents failed to account properly for escrow property as required by the terms of
10 the escrow, which constitutes grounds for the suspension or revocation of Respondents' license
11 pursuant to A.R.S. § 6-817(A)(7).

12 6. Respondents failed to maintain an adequate internal control structure as prescribed by
13 A.R.S. § 6-841, which constitutes grounds for the suspension or revocation of Respondents' license
14 pursuant to A.R.S. § 6-817(A)(12).

15 7. The violations, set forth above, constitute grounds for the pursuit of any other remedy
16 necessary or proper for the enforcement of statutes and rules regulating escrow agents in Arizona
17 pursuant to A.R.S. §§ 6-123 and 6-131.

18 8. The violations, set forth above, constitute grounds for the order for the payment of
19 restitution of any fees earned in violation of A.R.S. §§ 6-801, *et seq.*, pursuant to A.R.S. §§ 6-
20 131(A)(3) and 6-137.

21 9. The violations of applicable laws set forth above constitute grounds for the imposition of
22 a civil money penalty of up to five thousand dollars (\$5,000.00) per day for each violation pursuant
23 to A.R.S. § 6-132.

24 10. Pursuant to A.R.S. § 6-125(B)(4), Summit Title Agency, Inc. and Ms. D'Anna shall be
25 assessed an examination fee in the amount of **six thousand, three hundred thirty seven dollars**
26 **and fifty cents (\$6,337.50)**, pursuant to A.R.S. § 6-122(B)(3), plus any applicable late fees pursuant

1 to A.R.S. § 6-125(D).

2 11. Pursuant to A.R.S. § 6-131(A)(3), Respondents' deviations from filed escrow rates are
3 grounds for an order to reimburse all unfiled escrow fees and overcharges in escrow rates to the
4 escrow parties in the transactions set forth in Complaint paragraphs 3(g)(i) and (ii).

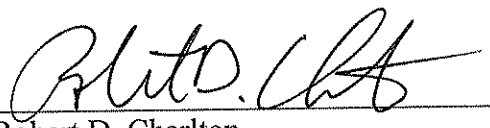
5 12. Pursuant to A.R.S. § 6-846.04(B), Respondents' deviations from filed escrow rates are
6 grounds for the imposition of a penalty in the amount equal to the total deviations, which is **three**
7 **hundred dollars (\$300.00)**.

8 13. Pursuant to A.R.S. § 6-816(B), Respondents' violation of A.R.S. § 6-832(A) is grounds
9 for the assessment of a late fee of twenty five dollars (\$25.00) for each day Respondents' audited
10 financial statements for the year ended September 30, 2008 are not filed, which, as of August 21,
11 2009, totaled two hundred four (204) days past the January 28, 2009 deadline, constituting a late fee
12 of five thousand, one hundred dollars (\$5,100.00), to date.

13 WHEREFORE, if after a hearing, the Superintendent makes a finding of one or more of the
14 above-described violations, the Superintendent may suspend or revoke Respondents' escrow agent
15 license pursuant to A.R.S. § 6-817; order the payment of restitution of any fees earned in violation of
16 A.R.S. §§ 6-801, *et seq.*, pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; order any other remedy
17 necessary or proper for the enforcement of statutes and rules regulating escrow agents in Arizona
18 under A.R.S. §§ 6-123 and 6-131; and impose a civil money penalty pursuant to A.R.S. § 6-132.

19 DATED this 7th day of October, 2009.

20 Thomas L. Wood
21 Acting Superintendent of Financial Institutions

22 By 
23 Robert D. Charlton
24 Assistant Superintendent of Financial Institutions
25
26

1 ORIGINAL filed this 7th day of October,
2 2009, in the office of:

3 Thomas L. Wood
4 Acting Superintendent of Financial Institutions
5 Arizona Department of Financial Institutions
6 Attn: Susan Longo
7 2910 N. 44th Street, Suite 310
8 Phoenix, AZ 85018

9 COPY of the foregoing mailed/delivered same date to:

10 Lewis Kowal, Administrative Law Judge
11 Office of Administrative Hearings
12 1400 W. Washington, Suite 101
13 Phoenix, AZ 85007

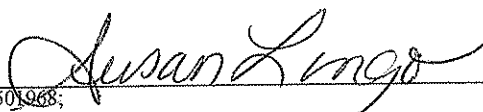
14 Erin O. Gallagher, Assistant Attorney General
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16 1275 West Washington
17 Phoenix, AZ 85007

18 Robert D. Charlton, Assistant Superintendent
19 Peggy Prill, Senior Examiner
20 Arizona Department of Financial Institutions
21 2910 N. 44th Street, Suite 310
22 Phoenix, AZ 85018

23 AND COPY MAILED SAME DATE by
24 Certified Mail, Return Receipt Requested, to:

25 Nancy D'Anna, President
26 Summit Title Agency, Inc.
2500 S. Power Rd., Ste. 115A
Mesa, AZ 85209
Respondents

Seth Fink, Statutory Agent for
Summit Title Agency, Inc.
1500 E. Bethany Home Rd., Ste. 120
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23 #501968;